

**BOARD OF INVESTMENT TRUSTEES  
MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS**

**MINUTES – OPEN SESSION**

May 18, 2012

101 Monroe Street, 9<sup>th</sup> floor  
Rockville, Maryland

Board Members Present:

Joseph Adler  
Jennifer Barrett  
Joseph Beach  
Arjan Berkelaar  
Stephen Farber  
Jennifer Hughes  
Gino Renne  
Jeffrey Sharpe  
Kelda Simpson  
George Willie

Staff:

Linda Herman  
Marc Esen  
Stuart Potter  
Brad Stelzer  
Akiko Kawashima  
John Feketekuty

Others Present:

Mark Brubaker, Wilshire Associates  
Mike Dudkowski, Wilshire Associates  
Brad Atkins, Franklin Park  
Narayan Chowdhury, Franklin Park  
Amy Moskowitz, Counsel to the Board

***CALL TO ORDER***

Mr. Sharpe called the open session of the Board to order at 10:01 a.m.

***DETERMINATION OF MEETING***

The Board unanimously approved a motion to move into closed session at 10:01 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, State Government Article, 10-508(a)(5) and to consult with counsel to obtain legal advice under 10-508(a)(7).

Mr. Sharpe called the open session of the Board to order at 12:05 p.m.

**Approval of the Minutes:** Mr. Willie moved, and Mr. Farber seconded, and the Board unanimously approved, the minutes of the March 16, 2012 meeting. Ms. Barrett and Mr. Berkelaar abstained having not been members of the Board at the time of the meeting.

**Amended Service Provider Procurement Policy.** Ms. Herman discussed amending the Service Provider Procurement Policy to reflect the Council's approval of the emerging manager legislation. After discussion, Mr. Willie moved, and Ms. Hughes seconded, and the Board unanimously approved, the following resolution:

***1205-06      Resolved, that the Service Procurement Policy is amended as proposed to conform to the requirements of the County Code regarding the inclusion and annual reporting of emerging investment managers.***

**Discussion-Due Diligence and Continuing Education Policy:** Ms. Herman discussed forming a committee to review and evaluate possible changes to the Due Diligence and Continuing Education Policy. The Board approved the use of the ByLaws Committee for this purpose.

**Discussion Governance Documents.** The Board discussed consolidating the investment policies into one Statement of Investment Policy & Objectives as well as creating a Governance Manual which includes the Board's Bylaws, Service Provider Procurement and Due Diligence and Continuing Education Policies. Staff will work on creating the documents.

**Consolidation of Retirement Plans:** Ms. Herman discussed the recent decision of the CAO to consolidate all retirement plan functions into one office.

**Compliance and Audit Committee Meeting Report:** Ms. Herman discussed the compliance and audit committee report noting the auditors did not have any recommendations related to internal controls and there was no management letter issued. She discussed the County's management letter comments related to the ERS.

**Quarterly v. Actual Budget:** Ms. Kawashima discussed the budget noting actual expenses are on target or lower than anticipated for all three plans.

**Vacant Position:** Ms. Herman updated the Board on the County Executive's response to the letter sent by the Board requesting that the vacant Board position be filled as soon as possible. The County Executive's Office responded that the office is working on filling the vacancy and expects to fill it within the next 30 days.

**ERS Actuary:** Ms. Herman updated the Board on the RFP for a new actuary for the ERS. The RFP was issued on May 11m 2012 with an expectation of the firm being hired and on board by the end of July.

**Workplan:** Ms. Herman discussed the Board's workplan for the coming months.

There being no further business of the Board, the open meeting session adjourned at 12:33 p.m.

Respectfully submitted,

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Sunil Pandya, Secretary